



BRESE, Border regions in Europe for Social Entrepreneurship

Action Plan for the region of Slovakia





Part I – General information

Project: BRESE

Partner organisation(s) concerned: SLOVAK BUSINESS AGENCY

Country: Slovakia

NUTS2 region: Bratislava

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Part II – Policy context

The Action Plan aims to impact: Investment for Growth and Jobs programme
 European Territorial Cooperation programme
 Other regional development policy instrument

Name of the policy instrument(s) addressed:

Operational Programme Human Resources and Program Slovakia

Further details on the policy context and the way the action plan should contribute to improve the policy instruments:

Social economy, and social enterprises specifically, is seen as a tool for solving a number of societal problems. However, the perception of social enterprises in Slovakia is very limited and often narrowed to the issue of work integration or social integration of people from the marginalized Roma communities.



Limited perceptions of social enterprises can be identified in the recent history, when social enterprises in Slovakia were presented exclusively as a tool for increasing employment, primarily among people from marginalized Roma communities or people with health disabilities. The fact, that the recently adopted legislation on the social economy and social enterprises was initiated and elaborated by the Ministry of Labour, Social Affairs and Family, and the most significant support schema is intended precisely for work integration social enterprises, does not ease the situation at all.

Social enterprises active in other than work integration related topics, appear only sporadically, or organizations that are active in other areas and demonstrate all the characteristics of social entrepreneurship do not consider themselves to be social enterprises.

The challenge is also the general awareness of the social enterprises related topics. Based on a representative survey carried out in Slovakia in 2020, only less than 5% of the adult population can give an example of a social enterprise.

In addition to the low level of awareness about the social enterprises among the public, the low level of entrepreneurial skills within the social enterprise themselves is an obstacle to the development of social entrepreneurship in Slovakia. The low level of entrepreneurial skills as such is confirmed by several surveys in Slovakia, but this problem is even more pronounced in the social enterprise segment. Within the formal education system, the topic of social economy and social enterprise is almost not mentioned, cooperation between educational institutions and the social economy sector almost does not exist and the opportunities for further education and capacity building in social entrepreneurship related topics are minimal.

Several studies also suggest a high degree of dependence of social enterprises on external financial non-refundable subsidies. The central government seeks to mitigate this by emphasizing the use of repayable financial assistance and other financial instruments for social enterprises, while the presence of a strong business plan is conditional for support receiving. However, despite the great effort, the refundable financial aid is not attractive to social enterprises, as it is relatively opaque and the level of risk of undue expenditure is disproportionately high for social enterprises. In almost two years of existence, fewer than 50 social enterprises have benefited from the existing support model built on a combination of repayable and non-repayable aid.

Gro of funds intended for social entrepreneurship support, come from the resources of the European Community in Slovakia. The Human Resources Operational Programme allocated some EUR 150 million for social entrepreneurship in the period 2014-2020. However, a large part of these resources, in particular those earmarked for repayable financial assistance, remained unspent and was reallocated to other priorities.



In view of the ending 2014-2020 programming period, the high level of the OP Human Resources contracting, i.e. the policy instrument targeted by the project BRESE, and also given the urgent need to finance the programmes mitigating the impact of the corona pandemic, the activities of the submitted action plan are mainly focused on OP Slovakia, which is the successor to OP Human Resources. During the time of the BRESE project implementation (August 2019 – June 2022), the planning process of the new OP Slovakia is underway, part of which will also be implemented by the Ministry of Labour, Social Affairs and Family and will build on the experience gained through the implementation of the OP Human Resources. The ambition of the BRESE project is to influence the implementation of the OP Slovakia in order to take account of the challenges that social enterprises are facing in Slovakia.

Part III – Details of the actions envisaged

ACTION 1:

Name of the action: More training and educational opportunities in social enterprises related topics

1. Relevance to the project

The action is inspired by the practice from the German-Dutch neighbourhood introduced by the lead partner of the project. Specifically, by the activities implemented by the organisation THRIVE Institute, which is the knowledge institute for the purpose economy: an economy in which not only economic growth but the wellbeing of people, animals and the environment is the aim. Driven by the belief that knowledge is the key ingredient for innovation with impact, THRIVE Institute offers training programs that revolve around learning and doing. In their learning programs, participants learn and get started with relevant knowledge, skills, people and tools to achieve maximum impact. The important element of THRIVE Institute activities is the collaboration with universities, students and municipalities.

Similarly, the University of Kleve pays great attention to the activities aiming at the cultivation of the entrepreneurial skills of their students and wider communities. University implements a complex program of entrepreneurial skills support which is tightly bound with the real entrepreneurs (including social entrepreneurs) addressing societal challenges and applying cross-sectoral collaboration, which is built on links between academia, the business sector and municipalities.



2. Nature of the action

The core of the action is to create an enabling ecosystem that would support better cooperation between universities, municipalities and social enterprises in order to strengthen the role and recognition of social enterprises in Slovakia.

The core of the action is focused primarily on structured cooperation between academia (universities) municipalities (either local or regional) and social enterprises in the field of entrepreneurial skills support, awareness-raising about social entrepreneurship and education to social entrepreneurship.

Part of this ecosystem is the creation of specialised education and training programs implemented by the academia, but designed in close cooperation with social enterprises and municipalities. The education and training programme will be based on a "learning by doing" methodology and students will be inspired to become actively involved in addressing specific societal challenges identified at municipal level and to work closely with social enterprises or one establish directly and become a social entrepreneurs by themselves.

Through the implementation of targeted education and training programmes, we expect to improve awareness about the presence, activities and mission of social enterprises. However, through enhanced cross-sectoral cooperation, we also expect to improve the entrepreneurial skills among the social enterprises and strengthen their sustainability.

The equally important part of the enabling ecosystem is the available financial resources needed to carry out cross-sectoral collaboration in education and training programs. Therefore, the action also aims to design an accessible financial support scheme, that encourages the "learning by doing" methodology. The financial scheme will provide the necessary financial resources needed to implement specific activities of students (participants and graduates of the educational and training programmes) that will address a specific societal problem or support the activities of a specific social enterprise carried out on the municipal level. These will be done in cooperation with partnering social enterprises or municipalities and the performed activities will lead to the solution of an identified societal problem.

Ideally, the funds will be implemented and disbursed in the form of lump sums, and all students of the education or training programme will be eligible to apply, but the allocation of financial support will be conditional on the development of a project proposal and the defence of the project proposal.



The details of the implementation of the proposed action and the distribution/eligibility of financial resources will be the subject of further discussions with the stakeholders involved.

3. Stakeholders involved

- Intermediate body of Programme Slovakia (successor of OP Human Resources) – their role is to allocate the financial resources necessary for program implementation
- Slovak Business Agency – the lead of the action
- Institute of Social Economy – the flag ship initiative of the Ministry of Labour, Social Affairs and Family focused on the support of the social economy in Slovakia – their role is to network among the existing social enterprises
- Selected universities (Faculty of Management of the Comenius University, Faculty of National Economy of the University of Economics in Bratislava) – their role is to spread the ethos of social economy among students, raise the interest of the students about the socially-driven entrepreneurship, network with municipalities and social enterprises, create a structure supporting social entrepreneurship at the faculty/university)
- Selected municipalities (Banska Bystrica Self-Governing region, Zilina Self-Governing Region, Kosice Self – Governing region) – their role is to create enabling conditions for social entrepreneurship support in the region through better communication, networking and other, primarily non-financial, incentives
- Social entrepreneurship umbrella organisations (Social Economy Subjects Associations and Alliance for Social Economy in Slovakia) – their role is to represent the interests of active and potential social entrepreneurs and enterprises.

4. Timeframe

1. Incorporation of such conditions to the strategic documents of the P Slovakia that would allow the implementation of the proposed action
2. Elaboration of the action idea to the form of action outline and participative commenting process accomplished – December 2022
3. Incorporation of the action to the P implementation plan and allocation of the financial resources – June 2023

5. Costs

Action 1 preparatory activities, which are core of the plan and require primarily personnel costs, will be covered by internal resources of SBA and other involved stakeholders. The financial resources necessary for the implementation of the action are estimated between 1-3 mil. EUR.



6. Funding sources

The key funding source envisaged is P Slovakia in its investment priority 4. The technical arrangement is not known yet, as most of the technical details are currently under development. As hypothetically feasible, may be considered the model of demand-oriented projects (the call for the projects is opened, and the most competitive projects are selected) or the model of specific activity under the umbrella of intended large-scale program Social Economy Institute II. Another option is the social impact bond, which is a highly innovative approach in Slovakia and would allow more flexibility in the action implementation.

ACTION 2

Name of the action: Social entrepreneurship incorporated in the regional development plans

1. Relevance to the project

According to several studies, Slovakia is one of the EU members states demonstrating the highest regional disparities. Regional development, therefore, is listed among the key political priorities of almost every government. Slovakia, likewise a number of the other EU member states, in its public government system combines the central level controlled by state authorities and regional level controlled by the municipal authorities. Despite the weak roles and not always clear competencies of the regional municipalities (regional self-governing regions – NUTS 3 level), relevant amount of the European financial resources is going to be distributed and controlled by the regional municipalities in Slovakia during the upcoming programmatic period 2021-2027. The self-governing regions, therefore, are currently preparing their development plans which, after their approval on the national level, will be the key documents for money distribution on the regional level.

The action is strongly inspired by the practice of Poland, where the social economy was strongly incorporated into the regional development plans and according to that the regional support schemes were created and implemented. The Polish partner “Regional Development Agency Rzeszow” is also operating one of the regional support schemes.

2. Nature of the action

It is estimated, that some 600 mil EUR will be controlled and administrated by the regional self-governing regions in the programmatic period 2021-2028. The money will be distributed based



on the approved, so-called, regional investment strategies and only activities mentioned in the regional strategies will be eligible for financial support distributed on the regional level.

Therefore, it is crucial to include the activities aiming at enabling the social economy ecosystem in the region in the regional plans.

SBA will approach all regional municipalities with the offer to provide free-of-charge assistance to self-governing regional municipalities teams working on the regional investment strategies. Based on the feedback and bilateral agreement between SBA and specific regions, the SBA expert on social economy and social entrepreneurship will provide tailor-made assistance to the specific regional municipality on the issues related to social economy and social entrepreneurship.

The action aims to incorporate social entrepreneurship into the regional investment strategies in a scope exciding the limited understanding of work integration and in a way, the social enterprises will be used as an effective vehicle of regional development.

The aim is to cooperate with at least 2 out of a total number of 8 regional municipalities in Slovakia.

3. Stakeholders involved

- Eight self-governing regional municipalities – each self-governing regional municipality was approached by the offer of free-off-charge assistance provided by the SBA expert
- Two self-governing regional municipalities (out of eight) which accepted the offer
- SBA – lead organisation of the action, will provide coordination and expertise
- Social economy subjects (social enterprises included) from at least two regions – will be involved in the process of needs identification and will provide feedback
- Managing authority of Programme Slovakia – will allocate necessary financial resources

4. Timeframe

- Self-governing regional municipalities approached with an offer of free-off-charge assistance – April 2021
- Cooperation with at least two self-governing regions – May 2021 - May 2022
- Social enterprises related measures approved in the regional investment strategies – August 2022

5. Costs

Action 2 preparatory activities, which are the core of the plan and require primarily personnel costs, will be covered by internal resources of SBA and other involved stakeholders.



The financial resources necessary for the implementation of the action are dependent on the agreements of regional stakeholders involved in the preparation of the regional investment plans and the scope of the social economy-related measures included in the regional investment strategies.

The minimum budget threshold that we will target for the measure is EUR 5 million.

6. Funding sources

The main funding source envisaged is P Slovakia in its policy priority 5. The technical arrangement is not known yet, as most of the technical details are still under preparation. As hypothetically feasible, may be considered the mode of demand-oriented projects (the call for the projects would be opened and the most competitive projects would be selected).

Place, Date:

Signatures of the relevant organisation(s):

Národné kompetenčné centrum
pre sociálne inovácie

